

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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OFFICE OF THE SECRETARY

In the Matter of

The Global Venture of AT&T Corp. and
British Telecommunications plc

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IB Docket No. 98-212

COMMENTS OF
MCI WORLDCOM, INC.

Dated: January 19, 1999

MCI WORLDCOM, INC.
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SUMMARY

MCI WorldCom urges the Commission to conduct a thorough review of this proposed transaction to ensure that it will enhance, rather than diminish, competition in the provision of U.S. international services. The Commission should impose conditions and safeguards to ensure that BT does not unfairly discriminate in favor of AT&T, the Global Venture, or any of the Global Venture's subsidiaries to the detriment of U.S. competitors and consumers.

At a minimum, the Commission should: (1) regulate AT&T, the AT&T/BT Global Venture, and each of the Global Venture's subsidiaries that hold Section 214 authorizations as dominant carriers under the Commission's rules for the provision of services and facilities on the U.S.-U.K. route; (2) reaffirm that AT&T, the Global Venture, and each of the Global Venture's subsidiaries that hold Section 214 authorizations are subject to the specific provisions of the Commission's "No Special Concessions" rule, prohibiting special concessions from BT and each of the foreign carrier subsidiaries of the Global Venture; (3) require AT&T, as a condition of the Commission's approval, to withdraw from its WorldPartners and Unisource alliances upon closing of the proposed transaction; and (4) ensure that the proposed transaction AT&T, the Global Venture, and the Global Venture's subsidiaries are not the only carriers able to provide end-to-end broadband services on the U.S.-U.K. route.

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**COMMENTS OF
MCI WORLD COM, INC.**

MCI WorldCom, Inc. ("MCI WorldCom") hereby submits its comments in response to the applications and public interest statement of AT&T Corp. ("AT&T") and British Telecommunications plc ("BT") (collectively, "AT&T/BT") regarding the proposed merger of their international operations. MCI WorldCom urges the Commission to: (1) regulate AT&T, the AT&T/BT Global Venture, and each of the Global Venture's subsidiaries that hold Section 214 authorizations as dominant carriers under the Commission's rules for the provision of services and facilities on the U.S.-U.K. route; (2) reaffirm that AT&T, the Global Venture, and each of the Global Venture's subsidiaries that hold Section 214 authorizations are subject to the Commission's "No Special Concessions" rule, prohibiting special concessions from BT and each of the foreign carrier subsidiaries of the Global Venture; (3) require AT&T to withdraw from its WorldPartners and Unisource alliances upon closing of the proposed transaction as a condition of the Commission's approval; and (4) ensure that the proposed transaction does not enable AT&T, the Global Venture, and the Global Venture's subsidiaries to provide end-to-end broadband services on the U.S.-U.K. route that no other carrier can match.

I. INTRODUCTION

The proposed transaction will result in the merger of the international operations of two of the largest telecommunications carriers in the world, AT&T and BT. Together these two companies, once fierce competitors in the international arena, will control the lion's share of traffic on the U.S.-U.K. route, which ranks as one of the most important routes in the world.¹ Among other things, the merger will combine AT&T's U.S. cable stations, international facilities, and contracts with foreign carriers (including correspondent agreements), with BT's U.K. cable stations, international facilities, and contracts with foreign carriers (including correspondent agreements). BT will also contribute its Concert venture and customers to the merged operation and, according to press reports, AT&T will contribute the IBM global data network and its customers.²

Despite the vast size of this transaction, AT&T/BT assert that the Commission need only conduct a cursory review of the proposed transaction. They argue that only a limited review is required because market conditions have changed since the Commission adopted the *BT/MCI II* decision.³ AT&T/BT also claim that the proposed transaction "presents a much easier case" than *BT/MCI II* because this transaction is "an international services joint venture, and BT will have no financial stake in AT&T."⁴ AT&T/BT are wrong.

¹ Of the 1000 largest companies in the world (ranked by market capitalization), 595 are headquartered in either the United States or the United Kingdom.

² IBM's Global Network has more than 1,300 points of presence and dedicated access from more than 850 cities in 59 countries. See "AT&T to Acquire IBM's Global Network Business for \$5 billion," (Dec. 8, 1998) (available at <http://www.att.com/press>).

³ In the Matter of the Merger of MCI and British Telecommunications, plc, *Memorandum Opinion and Order*, FCC 97-302 (rel. Sept. 24, 1997).

⁴ AT&T/BT Joint Application at 4.

First, although it is true that certain markets (such as the market for transatlantic transport capacity) have become more competitive over the past year, BT retains a dominant position in other key market segments on the U.S.-U.K. route. These include U.K. cable access, backhaul, inter-city transport, and local access facilities and services.

Second, the fact that BT will not directly invest in AT&T is irrelevant. In fact, through the joint investment, BT is investing in a substantial part of AT&T's business: its international operations. Thus, BT, in effect, is taking a stake in AT&T. Moreover, the joint investment of AT&T and BT in the Global Venture creates significant incentives for BT to leverage its U.K. market power to discriminate in favor of AT&T, the Global Venture,⁵ and the Global Venture's subsidiaries. MCI WorldCom thus urges the Commission to conduct a thorough review of this transaction to ensure that it will enhance, rather than diminish, competition in the provision of U.S. international services. The Commission should impose conditions and safeguards to ensure that BT does not unfairly discriminate in favor of AT&T, the Global Venture, or any of the Global Venture's subsidiaries to the detriment of U.S. competitors.

⁵ The Global Venture is included among these entities because, although the Global Venture apparently is not itself applying for a Section 214 authorization in the proceeding, AT&T/BT state that "the Global Venture will directly provide global services specially tailored to multinational corporate customers. . . ." AT&T/BT Joint Application at 9. Thus, unless the Global Venture intends to provide only enhanced services, it appears that it will be providing basic services directly to customers, and thus will become a U.S. carrier (requiring Section 214 authorization).

II. THE COMMISSION SHOULD REGULATE AT&T, THE GLOBAL VENTURE, AND EACH OF THE GLOBAL VENTURE'S SUBSIDIARIES AS DOMINANT ON THE U.S.-U.K. ROUTE.

The Commission should regulate AT&T, the Global Venture, and each of the Global Venture's subsidiaries as dominant on the U.S.-U.K. route, which is the most significant U.S. route (in terms of minutes) outside of North America.⁶ Dominant carrier regulation is required because, as a result of the proposed transaction, AT&T, the Global Venture, and each of the Global Venture's subsidiaries will become affiliated with BT, the dominant U.K. services and facilities provider.

MCI WorldCom notes that neither the application nor the publicly available materials describing the transaction provide a clear picture of how the joint venture will be structured. Thus, the Commission should require a more detailed explanation of the proposed structure, and the relationships among AT&T, BT, the Global Venture, the Global Venture subsidiaries, BT North America, and Concert so that it can determine and make clear to the applicants precisely how its rules will apply under the circumstances.

The information provided by the applicants does indicate, however, that AT&T, the Global Venture, and each of the Global Venture's subsidiaries will become "affiliates" of BT within the meaning of Section 63.18(h)(1)(i)(B).⁷ As proposed, AT&T and BT will each own a

⁶ 1997 Section 43.61 International Telecommunications Data (Dec. 1998).

⁷ Section 63.18(h)(1)(i)(B) provides, in relevant part, that an "affiliation" includes "[a] greater than 25 percent ownership of capital stock, . . . in the applicant by a foreign carrier, or by any entity that directly or indirectly controls or is controlled by a foreign carrier, or that is under direct or indirect common control with a foreign carrier. . . ." 47 C.F.R. Section 63.18(h)(1)(i)(B).

50 percent interest in (and commonly control) TNV [Netherlands] BV, which in turn will control directly or indirectly a number of subsidiary companies, including US LLC, US Sub LLC,⁸ and TLTD.⁹ Each of these subsidiaries will hold Section 214 authorizations, as described below. In addition, BT will create a U.K. subsidiary of TNV ("UK Sub") which will hold certain facilities within the U.K. territorial limits.¹⁰

AT&T asks the Commission to amend its Section 214 authorizations to transfer its underlying ownership interests in its U.S. cable stations to US LLC. AT&T, however, will continue to provide service pursuant to these authorizations. US LLC also has applied for its own global Section 214 authorization.¹¹ In addition, both AT&T and BT will transfer their correspondent agreements to TLTD, a Bahamas company. AT&T and BT also will transfer to TLTD each company's cable facilities outside the United States and the United Kingdom, respectively. Finally, TLTD has applied for its own global Section 214 authorization.

MCI WorldCom submits that the Commission should consider AT&T to be affiliated with BT as a result of this transaction. AT&T is affiliated under 63.18(h)(1)(i)(A) of the

⁸ AT&T/BT's public interest statement says that AT&T will transfer to US Sub LLC its interests in U.S. cable stations and certain of its earth stations. AT&T/BT Joint Application at 6. However, US Sub LLC is not an applicant, assignee, or transferee in any of the applications appended to the public interest statement. Thus, MCI WorldCom includes US Sub LLC in the group of subsidiaries which will be affiliated with BT under the Commission's Rules, although AT&T/BT apparently have not yet sought authority with respect to US Sub LLC.

⁹ Section 63.18(h)(1)(ii) defines "foreign carrier" to include "any entity that is authorized within a foreign country to engage in the provision of international telecommunications services offered to the public within the meaning of the International Telecommunication Regulations," 47 C.F.R. Section 63.18(h)(1)(ii).

¹⁰ AT&T/BT Joint Application at n.6.

¹¹ In addition, AT&T plans to assign various earth station licenses to US LLC.

Commission's Rules with TNV's U.K. subsidiary (UK Sub), a foreign carrier. As a result, AT&T is affiliated with BT under Section 63.18(h)(1)(i)(B) of the Commission's Rules, which provides that a U.S. carrier will be considered to be affiliated with foreign carrier "where the foreign carrier controls, is controlled by, or is under common control with a second foreign carrier already found to be affiliated with that U.S. carrier under this section."¹²

Moreover, through the joint investment, BT is taking an ownership stake in AT&T's international operations. This relationship will create incentives for BT to favor not just the Global Venture and its subsidiaries, but AT&T. In addition, AT&T's intertwined relationship with the Global Venture and the Global Venture's subsidiaries, all of which are clearly affiliated with BT,¹³ makes it virtually impossible to separate AT&T from US LLC, US Sub LLC, and TLTD.¹⁴ For example, these Global Venture subsidiaries will own the underlying facilities used by AT&T to provide services pursuant to its Section 214 authorizations. TLTD also will be responsible for all of AT&T's correspondent agreements. Thus, AT&T, the Global Venture, and the Global Venture's subsidiaries are affiliated with BT under the Commission's Rules.

When the Commission finds an affiliation with a foreign carrier, as in this case, it must determine whether the affiliate should be regulated as dominant or nondominant. Section 63.10 provides, in pertinent part, that "a U.S. carrier [that] . . . acquires an affiliation with a foreign carrier that is not a monopoly in a destination country and that seeks to be regulated as non-

¹² 47 C.F.R. Section 63.18(h)(1)(i)(B).

¹³ As AT&T/BT concedes, the Global Venture subsidiaries are affiliated with BT under Section 63.18(h)(1)(i)(B). *See generally* AT&T/BT Joint Application, Attachments 1-4.

¹⁴ Accordingly, even if the Commission finds that AT&T and BT are not "affiliates" under the Commission's Rules, the interests of AT&T and BT are so intertwined that the Commission should nonetheless regulate AT&T as dominant on the U.S.-U.K. route.

dominant on that route *bears the burden* of submitting information to the Commission to demonstrate that its foreign affiliate lacks the ability to discriminate against unaffiliated U.S. carriers through control of bottleneck services or facilities in the destination country” (emphasis added).¹⁵ In this case, AT&T/BT have made no effort to demonstrate that BT lacks the ability to discriminate against competing U.S. carriers through the control of bottleneck services and facilities in the United Kingdom. Thus, the Commission should regulate AT&T, the Global Venture, and the Global Venture subsidiaries as dominant on the U.S.-U.K. route.

In fact, AT&T/BT cannot demonstrate that BT lacks the ability to discriminate against competing U.S. carriers through the control of bottleneck services and facilities in the United Kingdom. As the Commission found in *BT/MCI II*, BT retains control of numerous bottleneck services and facilities in the United Kingdom, and nothing has changed in the last 18 months that would justify a different conclusion. For example, BT controls the majority of cable stations in the United Kingdom. For significant transatlantic cables such as TAT 12/13, BT’s competitors must access BT’s cable stations in order to reach their own cable capacity. The construction of new cable stations for certain new cable systems does not alleviate competitors’ reliance on BT for access to cables that land at BT cable stations.

In addition, BT owns the only ubiquitous inter-city and local access facilities in the United Kingdom. With respect to local access facilities, BT maintains near monopoly control of the “last mile.” Access to BT’s local facilities is absolutely essential for BT’s competitors. In fact, BT still controls nearly 90 percent of access lines, and receives 84 percent of the retail

¹⁵ 47 C.F.R. Section 63.10(a)(3).

revenues for the U.K. wireline telecommunications sector.¹⁶ Not surprisingly, OFTEL, the U.K. regulatory authority, recently affirmed that BT enjoys “significant market power” in the United Kingdom in the markets for fixed public telephone network and voice telephony services.¹⁷ Equally important, OFTEL has noted that BT is likely to maintain near monopoly control of local termination services for the foreseeable future. The European Commission also has concluded that BT’s high market share in the provision of international voice telephony service on the U.S.-U.K. route “is underpinned by its current control of the local loop in the United Kingdom.”¹⁸

Based on BT’s control of local access facilities alone, it is clear that BT has the ability to discriminate against competing U.S. carriers through the control of bottleneck services and facilities in the United Kingdom. In fact, BT’s North American affiliate, BTNA, already is (and should remain) regulated as dominant on the U.S.-U.K. route. The Commission also imposed dominant carrier regulation on MCI for the U.S.-U.K. route in the proposed merger of MCI and BT. Likewise, the Commission should regulate AT&T, the Global Venture, US LLC, US Sub LLC, and TLTD as dominant on the U.S.-U.K. route. The Commission, moreover, should specify that each U.S. carrier affiliate that is regulated as dominant must file its own separate reports and comply individually with the applicable regulations.

¹⁶ See OFTEL, “Operators With Significant Market Power for the Application of Detailed Rules Under Purposes of the EC Voice Telephony and Universal Service Directive” (issued Oct. 1998).

¹⁷ See *id.*

¹⁸ Commission of the European Communities, Commission Decision of 14 May 1997 (Case No. IV/M.856 - British Telecom/MCI (II)) at 8.

III. THE COMMISSION SHOULD REAFFIRM THAT AT&T, THE GLOBAL VENTURE, AND EACH OF THE GLOBAL VENTURE'S SUBSIDIARIES ARE SUBJECT TO THE "NO SPECIAL CONCESSIONS" RULE.

The Commission's "No Special Concessions" policy prohibits U.S. international carriers from accepting special concessions with respect to traffic or revenue flows from a foreign carrier that possesses market power in the relevant market on the foreign end of the international route.¹⁹ The Commission adopted this policy to prevent the leveraging of foreign market power into the U.S. international services market. Specifically, the Commission is concerned that "an exclusive vertical arrangement between a foreign carrier with market power on the foreign end and a U.S. carrier (whether through ownership, affiliation or contractual arrangement) could result in harm to competition and consumers in the U.S. market."²⁰

In this case, there are many ways in which BT could leverage its U.K. market power to discriminate in favor of AT&T, the Global Venture, or any of the Global Venture subsidiaries. For example, it could grant AT&T, the Global Venture, or any of the Global Venture's subsidiaries preferential access to certain basic services, such as Home Country Direct, I-800, and Integrated Services Digital Network ("ISDN"); it could provide substantial discounts to AT&T, the Global Venture, or any of the Global Venture subsidiaries for services provided in the United Kingdom; it could provide AT&T, the Global Venture, or any of the Global Venture

¹⁹ Specifically included within the scope of the "No Special Concessions" rules are: (1) operating agreements for the provision of basic telecommunications services; (2) distribution or interconnection arrangements, including pricing, technical specifications, functional capabilities, or other quality and operational characteristics, such as provisioning and maintenance times; and (3) any information, prior to public disclosure, about a foreign carrier's basic network services that affects whether the provision of basic or enhanced services or interconnection to the foreign country's domestic network by U.S. carriers or their U.S. customers." 47 C.F.R. Section 63.14(b).

²⁰ *Foreign Participation Order* at para. 157.

subsidiaries with preferential provisioning and maintenance of private lines; and it could provide AT&T, the Global Venture, or any of the Global Venture subsidiaries with advance notice of changes to BT's network, including new services or capabilities, that will affect the provision of service to customers. BT, AT&T, the Global Venture, and the Global Venture's subsidiaries may also coordinate technical and marketing plans to favor their international operations and customers.

As MCI WorldCom has demonstrated, and the Commission has previously recognized, BT retains control of bottleneck services and facilities in the United Kingdom. In fact, the Commission reaffirmed in *BT/MCI II* that the "No Special Concessions" rule should apply to dealings between MCI and BT after the proposed merger of those companies. Similarly, in order to ensure that BT is unable to unfairly leverage its dominant position in the United Kingdom, the Commission should explicitly apply its "No Special Concessions" rule to AT&T, the Global Venture, and each of the Global Venture subsidiaries that hold Section 214 authorizations, vis-à-vis BT and each of the Global Venture subsidiaries that are licensed to operate in the United Kingdom. The Commission, moreover, should specify that each of these affiliates must comply individually with all elements of the rule. For example, the Commission should adopt a specific condition that AT&T, the Global Venture, and the Global Venture's subsidiaries may not have preferential access to basic services including, but not limited to: Home Country Direct, I-800, and ISDN, through BT or its U.K. affiliates unless BT makes those services available to other U.S. carriers. Further, given the complexity of the proposed transaction, the Commission should consider, upon receipt of further information from the parties, whether other conditions are necessary.

IV. THE COMMISSION SHOULD REQUIRE AT&T, AS A CONDITION OF THE COMMISSION'S APPROVAL, TO WITHDRAW FROM ITS WORLDPARTNERS AND UNISOURCE ALLIANCES UPON CLOSING OF THE PROPOSED TRANSACTION.

Over the past several years, AT&T has become involved in numerous alliances with dominant foreign carriers. These alliances, including WorldPartner and Unisource have been designed to combine the services and facilities of each national carrier in order to provide global, seamless services to customers. Although AT&T has publicly announced that it intends to withdraw from these alliances, it is unclear from AT&T's filing when such withdrawal would occur.

Like BT, AT&T's partners are dominant, incumbent foreign carriers. If AT&T is permitted to merge its international operations with BT while maintaining these relationships, the combination of BT, AT&T, and these dominant foreign carriers would extend the dominance of AT&T, BT, the Global Venture, and the Global Venture's subsidiaries well beyond the U.S.-U.K market into many other countries in Europe and Asia. The Commission should not permit AT&T/BT to expand their dominance in this way. Thus, the Commission should require, as a condition of Commission approval in this proceeding, that AT&T withdraw from its WorldPartners and Unisource alliances immediately upon closing of this proposed transaction.

V. THE COMMISSION SHOULD ENSURE THAT THE PROPOSED TRANSACTION DOES NOT ENABLE AT&T, BT, THE GLOBAL VENTURE, AND THE GLOBAL VENTURE'S SUBSIDIARIES TO PROVIDE END-TO-END BROADBAND SERVICES ON THE U.S.-U.K. ROUTE THAT NO OTHER CARRIER CAN MATCH.

As a result of the proposed transaction, AT&T, BT, the Global Venture, and the Global Venture's subsidiaries will be able to offer end-to-end broadband services on the U.S.-U.K. route that no other carrier will be able to match. Thus, BT must make available unbundled local loop in the United Kingdom to competitors.

Due to the rapid growth of the Internet and other data applications, there is a growing demand for high-speed data communications world-wide. MCI WorldCom is among the companies that are seeking to meet this demand globally. Bandwidth is increasing rapidly in the domestic long distance and international networks to accommodate the growth in data traffic, but the local loop constitutes a bottleneck that impedes the ability of service providers to offer high-speed data services to all end users. Access to the local loop is essential for carriers seeking to provide high-speed end-to-end services on a widespread basis. Currently, however, incumbent local telecommunications carriers and cable companies generally control access to the end user. Through the proposed transaction, AT&T, BT, the Global Venture, and the Global Venture's subsidiaries will exclusively enjoy the ability to provide high-speed services on an end-to-end basis. The result will be a reduction in the choices available to U.S. consumers and in the ability of U.S. carriers to compete on an equal basis with AT&T, BT, and their joint venture.

In the United Kingdom, BT controls local access to customers, as described above. BT is not required by regulation to, and thus does not, make its "last mile" available to competitors on

an unbundled basis.²¹ As a result, on the U.K. end, only BT is capable of delivering the ubiquitous high-speed data services that end users seek. In the United States, AT&T has proposed to acquire TCI, a cable services provider with a significant footprint in the United States. Through the TCI deal, AT&T seeks exclusive access to TCI's cable network to provide high-speed, broadband services.

In many areas of the United States, the only means to provide broadband services to residential users now or in the near term is through TCI's cable network or by accessing the local loop of the incumbent local exchange carrier. TCI, itself or through its affiliates, provides cable services to at least 20.2 million customers and passes more than 34.1 million homes throughout the United States. The @Work service offered by TCI-controlled @Home enables businesses to connect their Local Area Networks ("LANs") to the Internet and to extend their corporate LANs to their employees working at home. @Home is rolling out its @Work service in numerous cities throughout the United States. AT&T also has said that it will launch joint ventures with five TCI affiliates, and it has been in negotiations with Time Warner Inc., the nation's largest cable operator, to further expand its network.

When BT's control over local access in the United Kingdom is combined with AT&T's ability to offer broadband services directly to U.S. customers via TCI, the parties will be able to offer what no other carrier will be able to offer as a practical matter: end-to-end broadband services between the United States and the United Kingdom on a reasonably widespread scale, including to smaller locations of large businesses as well as small business and residential customers. Currently, BT controls access in the United Kingdom, but it must cooperate with

²¹ BT's obligation, if any, to make its local broadband services available for resale has not been firmly established or its scope defined.

U.S.-end providers to offer end-to-end broadband services to its customers. If the proposed joint venture is approved, the parties will have the ability to offer these end-to-end broadband services on their own network, and their need to cooperate with other providers on the U.S. end would be significantly reduced. Not only will this allow BT to leverage its control over local access in a way that no other carrier can, but by reducing its reliance on U.S.-end service providers, BT can further shelter itself from competitive pressure and can become less cooperative in granting access to its network in the United Kingdom.

In addition, even if competitors had access to BT's Digital Subscriber Line ("DSL") service on a wholesale basis, unless BT has an obligation to provide unbundled access to the local loop, it will be able to deploy xDSL technology in a way that advantages the Global Venture and disadvantages competitors.²² If competitors can only resell the xDSL service provided by BT, they will never have the ability to offer any technology other than that offered by BT. By the same token, BT can limit competitors' speed to market, because if a competitor is forced simply to resell BT's xDSL technology, it can never offer the service until BT itself has begun to offer it.

BT also can limit the types of services offered by competitors based on the type of xDSL it chooses to deploy and the manner in which it chooses to deploy it. For example, Asymmetrical DSL ("ADSL") offers higher bandwidth in one direction than in the other, which is well-suited for Internet traffic, where the user generally sends a small number of bits (*e.g.*, a

²² DSL is a modern technology that converts an ordinary telephone line into a high-speed digital pipe for ultra-fast access to the Internet and corporate networks while also enabling real-time multimedia services, including the possibility of high quality two-way voice services. DSL technology offers an economical means of substantially increasing bandwidth to small/medium offices and residences. There are a number of different DSL technologies, which offer different capabilities; these various forms are often referred to generically as xDSL.

browser query) but receives a large number of bits (*e.g.*, graphics from a Web site). However, ADSL is not effective for applications that are characterized by symmetrical bit streams, such as voice traffic. By choosing to deploy a form of xDSL such as ADSL, BT would allow its competitors to offer only services for which asymmetric bandwidth is appropriate, while limiting their ability to bundle voice services in their xDSL offerings, thereby protecting BT's core market. In this way, BT could benefit the Global Venture by deploying only xDSL technologies that are tailored to the demands of the Global Venture's customers or are deployed in locations that will primarily benefit the Global Venture.

U.S. consumers will be hurt as much as U.K. consumers in the long run if there is only one source of end-to-end broadband services or if broadband services are deployed in such a way that disadvantages competitors. It is thus critically important that the Commission carefully consider the adverse competitive effects that are likely to arise in the provision of high-speed data services on the U.S.-U.K. route, and ensure that AT&T, BT, the Global Venture, and the Global Venture's subsidiaries are not the only carriers able to provide such services. To this end, BT must make available unbundled local loop in the United Kingdom to competitors.

VI. CONCLUSION

In conclusion, MCI WorldCom urges the Commission to: (1) regulate AT&T and each of the Global Venture subsidiaries as dominant under the Commission's rules for the provision of services and facilities on the U.S.-U.K. route; (2) reaffirm that AT&T and each of the Global Venture subsidiaries is subject to the Commission's "No Special Concessions" policy; (3) require AT&T to withdraw from its WorldPartners and Unisource alliances upon closing of the proposed transaction as a condition of the Commission's approval; and (4) ensure that the proposed transaction does not enable AT&T, BT, the Global Venture, and the Global Venture's subsidiaries to provide end-to-end high broadband services on the U.S.-U.K. route that no other carrier can match.

Respectfully submitted,

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January 19, 1999

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I, Deborah A. Fairley, do hereby certify that on the 19th day of January, 1999, a true copy of the foregoing Comments of MCI WorldCom, Inc., was delivered, either by hand or First-Class mail, to the following:

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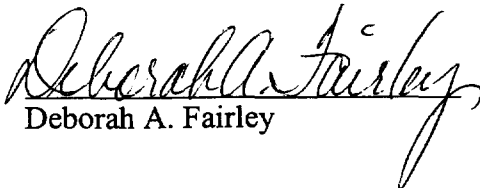
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